

Message Text

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INFO OCT-01 ISO-00 EURE-00 AID-05 CEA-01 CIAE-00 COME-00

EB-07 FRB-03 INR-07 NSAE-00 CIEP-01 SP-02 STR-04

TRSE-00 LAB-04 SIL-01 SAM-01 OMB-01 DODE-00 PM-03

H-02 L-02 NSC-05 PA-01 PRS-01 SS-15 USIA-06 (ISO) W

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P R 281203Z APR 75

FM AMEMBASSY LONDON

TO SECSTATE WASHDC PRIORITY 0588

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

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AMCONSUL BELFAST

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C O N F I D E N T I A L SECTION 01 OF 02 LONDON 06350

C O R R E C T E D C O P Y (OMITTED PORTION PARA 1)

E.O. 11652: GDS

TAGS: PINT, PFOR, EGEN, UK, EEC

SUBJECT: EC MEMBERSHIP: LABOR PARTY CONFERENCE VOTES
AGAINST EC

REF: LONDON 5456

SUMMARY - APRIL 26 LABOR PARTY SPECIAL CONFERENCE, AFTER
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A DAY OF GENERALLY TRITE AND UNREMARKABLE DEBATE, OVER-

WHELMINGLY ENDORSED ANTI-EC RESOLUTION BY 3.7 MILLION TO 2.0 MILLION VOTES. MARGIN OF ANTI-MARKET VICTORY WAS SLIGHTLY LESS THAN TWO-TO-ONE WHICH WAS EXPECTED BY MOST OBSERVERS, INITIALLY GIVING PRIME MINISTER WILSON AND HIS PRO-EC ALLIES SOME CONSOLATION, THOUGH NOT AS MUCH AS PRO-MARKET MEDIA WOULD LIKE TO HAVE BRITISH PUBLIC BELIEVE. ANY COMFORT THEY FOUND IN OUTCOME, HOWEVER, WAS SHORT-LIVED. ANTI-MARKETEERS ON LABOR'S NATIONAL EXECUTIVE COMMITTEE (NEC) LED BY INDUSTRY SECRETARY BENN, QUICKLY SEIZED THE INITIATIVE, CALLING FOR SPECIAL APRIL 30 NEC MEETING TO CONSIDER CONFERENCE RESULTS. THEIR OBJECTIVE: TO FORCE TRANSPORT HOUSE AND ENTIRE PARTY ORGANIZATION TO LAUNCH IMMEDIATE, FULL-SCALE CAMPAIGN AGAINST CONTINUED MEMBERSHIP. SUCH A POLICY, IF APPROVED WOULD GREATLY INTENSIFY STRESS WITHIN GOVERNMENT, PARTY AND TRANSPORT HOUSE ORGANIZATION, CREATING EXACTLY THAT CONTRONTATION SITUATION WILSON, PARTY GENERAL SECRETARY HAYWARD AND OTHERS HAVE SOUGHT TO AVOID. END SUMMARY.

1. FINAL OUTCOME OF ONE-DAY SPECIAL PARTY CONFERENCE WAS FORESHADOWED EARLY ON WHEN DELEGATES REJECTED PROCEDURAL MOTION FROM TRADE UNIONIST FRANK CHAPPLE THAT NO VOTE BE TAKEN ON NEC ANTI-MARKET RESOLUTION. WITH THIS INITIATIVE CRUSHED, PRIME MINISTER OPENED DEBATE ON EC MEMBERSHIP WITH LOW-KEY APPEAL FOR SUPPORT WHICH INCLUDED REVIEW OF PREVIOUS LABOR PARTY DECISIONS AND RESULTS OF RENEGOTIATION EXERCISE. HIS COMPREHENSIVE BUT UNINSPIRED ADDRESS SEEMED TO REFLECT THE PREVAILING MOOD OF BOREDOM. MOST DELEGATES WERE FAMILIAR WITH THE ARGUMENTS, CERTAIN OF THE OUTCOME AND WOULD HAVE BEEN HAPPIER SPENDING THE SPLENDID SPRING DAY ELSEWHERE. OTHER BIG NAMES FOLLOWED WILSON -- JACK JONES OF THE TGWU (ANTI-MARKET) DAVID BASNETT OF THE GMWU (PRO-MARKET); FORMER MINISTER ERIC HEFFER (ANTI) AND MINISTER DAVID ENNALS (PRO) WERE AMONG THEM, BUT EVOKED ONLY REFLEX RESPONSES FROM THEIR RESPECTIVE FOLLOWERS. INDEED, BARS IN THE AUDITORIUM DID A GOOD BUSINESS THROUGHOUT DELIBERATIONS. PRO-EC HIGHLIGHT WAS SPEECH BY FOREIGN SECRETARY CALLAGHAN. SPEAKING FROM DAIS, HE OFFERED FORTHRIGHT DEFENSE OF GOVERNMENT POSITION AND SKILLFULLY SCORED DEBATING POINTS OFF ANTI-MARKET

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HECKLERS. DEBATING POINTS, HOWEVER, ARE NOT VOTES. MOST EFFECTIVE AND ROUSING SPEECH WAS THAT OF EMPLOYMENT SECRETARY FOOT WHO, SPEAKING FOR NEC, SHARPLY DISPUTED CONTENTIONS OF PRO-MARKETEERS AND ATTACKED GOVERNMENT POSITION. HE WAS REWARDED WITH STANDING OVATION FROM ANTI-MARKETEERS WHILE EC SUPPORTERS SAT ON THEIR HANDS.

2. CONFERENCE CHAIRMAN FRED MULLEY THEN CALLED FOR CARD

VOTE ON NEC'S RELATIVELY MILD ANTI-EC RESOLUTION. THE BALLOT, WHICH WAS COMPLETED AND TALLIED IN RECORD TIME, ENDORSED THE NEC RESOLUTION BY 3.724 MILLION TO 1.986 MILLION VOTES (NEARLY 400,000 VOTES WERE NOT CAST). MOST LABOR PARTY SOURCES ON BOTH SIDES OF THE ISSUE HAD EXPECTED VOTE TO BE ABOUT 2 TO 1 IN FAVOR OF NEC RESOLUTION AND WERE NOT FAR OFF MARK. (IN RECENT WEEKS PRESS AND OTHER MEDIA HAVE BEEN TALKING OF MARGINS OF 3 OR 4 TO 1 AGAINST CONTINUED MEMBERSHIP, INDICATING EITHER THAT THEY WERE UNABLE TO COUNT VOTES OR, AS IS MORE LIKELY, WERE ATTEMPTING TO LAY GROUND FOR SUBSEQUENT CLAIM THAT RESULTS INDICATED STRONG SWING IN FAVOR OF MEMBERSHIP.) ACCORDINGLY, GOVERNMENT MAY HAVE BEEN ABLE TO FIND SLIGHT COMFORT IN OUTCOME, SINCE 2 TO 1 MARGIN IS REQUIRED TO MAKE DECISION OFFICIAL PARTY POLICY. PARLIAMENTARY LABOR

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INFO AMEMBASSY BONN

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PARTY CHAIRMAN CLEDWYN HUGHES THAT MORNING TOLD EMBOFFS THAT RESOLUTION WOULD CARRY 2 TO 1, BUT HE EXPECTED HIGHER NUMBER OF ABSTENTIONS, PRINCIPALLY FROM SMALLER UNIONS.

3. OPERATIVE PORTIONS OF NEC RESOLUTION AND MEMORANDUM FROM GENERAL SECRETARY RON HAYWARD (WHICH WAS PART OF PACKAGE APPROVED BY CONFERENCE -- FULL TEXT OF BOTH FORWARDED BY AIRGRAM) FOLLOWS:

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A) RESOLUTION: "A MAJORITY OF THE NEC BELIEVES THAT THE TERMS, EVEN AS RENEGOTIATED, DO NOT SATISFY BRITAIN'S REQUIREMENTS AND THEREFORE OPPOSES BRITAIN'S CONTINUED MEMBERSHIP...(AND) RECOMMENDS TO THE SPECIAL CONFERENCE OF THE PARTY THAT THE PARTY SHOULD CAMPAIGN, ALONG THE LINES OF THE SECRETARY GENERAL'S MEMORANDUM, FOR THE WITHDRAWAL OF THE UK FROM THE COMMON MARKET AND SHOULD INVITE OUR FELLOW CITIZENS TO JOIN US IN THIS CAMPAIGN; BUT RECOGNIZES THAT THE REFERENDUM ALLOWS EVERY INDIVIDUAL TO EXPRESS HIS OWN POINT OF VIEW AND THAT IN THE INTERESTS OF UNITY OF THE PARTY THE RIGHT OF DISSENT ACCEPTED...BY THE MAJORITY OF THE CABINET TO THOSE WHO DISAGREE WITH THEIR DECISION SHOULD BE EXTENDED SIMILARLY BY THE MAJORITY OF THE NEC TO INDIVIDUAL MEMBERS OF THE PARTY, THE NEC AND THE PARTY STAFF ."

B) MEMORANDUM : "I BELIEVE IT IS ESSENTIAL FOR IT (NEC), AS THE GOVERNING BODY OF THE PARTY, TO TAKE A LEAD IN PROMOTING TOLERANCE AND MINIMIZING DAMAGE TO THE PARTY MACHINE..WITHIN THE LABOR PARTY THERE ARE DEEP AND SINCERELY HELD VIEWS ON EITHER SIDE OF THIS DEBATE...INDIVIDUALS AND INDIVIDUAL PARTIES COULD NOT BE CALLED UPON, LESS STILL INSTRUCTED, TO CAMPAIGN FOR A POINT OF VIEW CONTRARY TO THEIR OWN INDIVIDUAL CONVICTION...(ACCORDINGLY) AN AGREEMENT TO DIFFER ALONG THE LINES ALREADY AGREED BY THE NEC AND THE CABINET SHOULD BE THE MODEL FOR LOCAL CAMPAIGNS."

4. ANY SATISFACTION WILSON, CALLAGHAN AND OTHER PRO-MARKETEERS MIGHT HAVE TAKEN FROM THE OUTCOME, HOWEVER, WAS QUICKLY DASHED BY MANEUVERING OF INDUSTRY SECRETARY

TONY BENN AND IAN MIKARDO WHICH WAS APPARENTLY DESIGNED TO FORCE TRANSPORT HOUSE AND CONSTITUENCY PARTIES TO ENTER THE ANTI-EC CAMPAIGN MORE ACTIVELY. FOLLOWING THE CONFERENCE, BENN TOLD THE PRESS THAT "IT IS VERY CLEAR THAT THERE NOW MUST BE A MOVE FOR THE LABOR PARTY TO CAMPAIGN". MORE IMPORTANTLY, HOWEVER, BENN AND MIKARDO SPONSORED AN NEC RESOLUTION CALLING FOR A SPECIAL APRIL 30 MEETING OF THE NEC "TO CONSIDER THE IMPLICATIONS OF THE SPECIAL CONFERENCE", APPARENTLY FORGETTING THE AGREEMENT TO DISAGREE BY TRYING TO ENGAGE THE PARTY APPARATUS

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EXCLUSIVELY IN THE SERVICE OF ANTI-EC FORCES. HIS CALL FOR A SPECIAL NEC MEETING WAS QUICKLY SUPPORTED BY 14 OTHER NEC ANTI-MARKETEERS. THIS MEETING, IF HELD, WILL TAKE PLACE WHILE WILSON AND CALLAGHAN ARE IN JAMAICA FOR THE COMMONWEALTH PRIME MINISTERS CONFERENCE.

5. COMMENT: FOR ALL INTENTS AND PURPOSES THE SPECIAL CONFERENCE WAS A RITUAL. THE OUTCOME, THE ROLES OF THE LEADING PLAYERS AND THEIR INCANTATIONS WERE PREVIOUSLY KNOWN TO ALL PARTICIPANTS. UNLIKE MOST RITUALS, HOWEVER, IT MAY HAVE SECONDARY AND TERTIARY EFFECTS. ANTI-MARKET FORCES LED BY BENN AND MIKARDO SEIZED ON THE RESULTS AS A MEANS TO FORCE THE LABOR PARTY ORGANIZATION TO TAKE AN ACTIVE AND PARTISAN ROLE IN THE REFERENDUM CAMPAIGN. ALTHOUGH THE GOVERNMENT, THE PRO-EC MEMBERS OF THE NEC AND GENERAL SECRETARY HAYWARD WILL WORK FERVANTLY TO BLOCK THIS INITIATIVE, THERE IS CONSIDERABLE QUESTION WHETHER THEY CAN PREVENT THE CONFRONTATION THEY AND ANTI-MARKETEERS SUCH AS FOOT, WHO HAVE PLACED A HIGHER PRIORITY ON PARTY UNITY, HAVE STRIVEN SO HARD TO AVOID. THE ABSENCE OF WILSON AND CALLAGHAN COULD BE TELLING, BUT ALMOST AS CRITICAL COULD BE THE ABSENCE OF FOOT. HERETOFORE HE HAS BEEN AN IMPORTANT CONCILIATOR, BUT IS DUE TO ENTER THE HOSPITAL FOR SURGERY (REMOVAL OF A BENIGN CYST, WE UNDERSTAND) APRIL 27. HE IS EXPECTED TO BE OUT OF ACTION TWO WEEKS. IF BENN AND HIS ALLIES SUCCEED, INTERNAL STRESS IN THE PARTY WILL INCREASE SHARPLY, FURTHER TESTING THE DURABILITY OF THE LABOR GOVERNMENT AND PARTY LEADER WILSON.

RICHARDSON

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